

<b>Report to Cabinet</b>	<b>Forward Plan reference number</b> FP/481/04/16
<b>Date of meeting:</b> 21 June 2016	<b>County Divisions affected by the decision</b> <i>All Divisions</i>
<b>Title of Report</b>	2015/16 PROVISIONAL OUTTURN REPORT
<b>Report by</b>	Cllr John Spence, Cabinet Member for Finance, Housing and Planning
<b>Responsible Director:</b>	Margaret Lee, Executive Director for Corporate and Customer Services
<b>Enquiries to</b>	Margaret Lee, Executive Director for Corporate and Customer Services <b>Tel. No:</b> 03330 134558

## 1. Purpose and recommendations

The purpose of this report is to present and provide commentary on the provisional outturn position for 2015/16 prior to formal closure of the accounts.

Ernst and Young, Essex County Council's external auditor, will carry out their audit of the Council's 2015/16 Statement of Accounts during the summer, and it is possible that changes may be made to the Accounts during this period which may alter the position presented within this report. The results of the external audit will be reported to the Audit Committee on **19 September 2016**, at which stage that Committee is expected to approve the 2015/16 Statement of Accounts for publication. The Statement of Accounts will be published on the Council's website.

## 2. Recommendations

It is recommended that:

- (i) Cabinet notes the provisional outturn positions on the Revenue budget and Capital Programme, as follows:

1. **Revenue Budget:** A gross under spend of **£23.044m** (including the variance on the Dedicated Schools budget) is shown. However, after adjusting this position for proposals to carry under spends forward for use in 2016/17 and other reserve movements, the contribution to the General Balance is **£4.705m** less than budgeted; and

**2. Capital Programme:** Payments are **£4.079m** higher than the final approved capital payments budget for the year due to the early delivery of capital projects.

Also, that Cabinet notes the explanatory comments that are provided in the Executive Summary (**section 3**) and the subsequent sections and appendices of the report.

- (ii) Approval is given to allocate under spends between portfolios (*as set out within the 'Transfers of under / over spends between Portfolios' column of **Appendix B***).
- (iii) **£9.057m** is appropriated to the Carry Forwards earmarked revenue reserve in respect of requests to utilise 2015/16 under spends in 2016/17 (*as set out in the 'under spends to be carried forward into 2016/17' column of **Appendix B***).
- (iv) **£9.057m** is released from the Carry Forwards Reserve in 2016/17 for the purposes detailed in **Appendix C** (*utilisation of these amounts will be subject to rigorous challenge throughout 2016/17, with any under spends being either returned to the General Balance, or re-directed for another purpose*).
- (v) The following amounts are appropriated to / from restricted and other revenue reserves:

	Appropriations to reserves £000	Appropriations from reserves £000
<b>Restricted Funds</b>		
PFI - Building Schools for the Future	-	(60)
PFI- Clacton Secondary Schools	-	(512)
PFI- Debden School	43	-
Waste Reserve	12,449	-
Partnerships	209	-
Schools	-	(1,884)
Trading Activities	1,290	(600)
<b>Sub total - Restricted Funds</b>	<b>13,991</b>	<b>(3,056)</b>
<b>Future Capital Funding</b>		<b>(22)</b>
<b>Other revenue reserves</b>		
Carbon Reduction Reserve	-	(432)
Health and Safety	29	
Transformation	8,182	
<b>Sub total - Other revenue reserves</b>	<b>8,211</b>	<b>(432)</b>
<b>Net Total</b>	<b>22,202</b>	<b>(3,510)</b>

**Note:** **Appendix H** sets out the position on the restricted and other revenue reserves as at 31<sup>st</sup> March 2016 after incorporating the above proposals.

- (vi) Capital payment budgets, and associated capital financing, of **£8.311m** are re-profiled into subsequent financial years, in respect of slippage in schemes (as shown in the 'Slippage' column of **Appendix F**).
- (vii) Capital payment budgets, and associated capital financing, of **£11.557m** are brought forward from 2016/17 in respect of schemes that have progressed ahead of schedule (as shown in the 'Advanced works' column of **Appendix F**).
- (viii) Portfolios' 2015/16 capital payments budgets are reduced by **£29.263m** (as shown in the 'Reductions' column of **Appendix F**), with increases of **£30.096m** to other schemes (as shown in the 'Additions' column of **Appendix F**), to reflect achieved activity in 2015/16.
- (ix) The financing of capital payments in 2015/16 is approved on the basis set out within **Appendix E** to this report.

### 3. Executive summary

#### 3.1 Overview

Through careful financial planning and control, at the end of 2015/16 Essex County Council's finances remain robust, investing across the County to help create more jobs for Essex people, providing care and support for people who need our help, achieving success with the increasing independence programme for working age adults and freezing council tax for the fifth consecutive year to protect local taxpayers.

The following paragraphs provide an overview of the provisional outturn positions on the Revenue Budget, Trading Activity accounts, the Capital Programme, Reserves and Balances and investment and borrowing activity. Service commentary is provided in subsequent sections of the report.

#### 3.2 Revenue

At the end of the third quarter of 2015/16 (December 2015), an under spend of **£5.3m** was forecast, comprising **£2.2m** on net expenditure and **£3.1m** on funding. This was **0.6%** against a total net expenditure budget of **£926.6m**. The Third Quarter forecast assumed that the Emergency Contingency (**£7.5m**) would be fully committed, recognising the risk for unforeseen events in the latter part of the financial year (such as winter pressures and extreme weather events).

At year end, the position excluding the Dedicated Schools Budget and before carry forward requests and reserve movements is an under spend of **£24.928m** (**£23.044m** including the Dedicated Schools Budget). This reflects:

- A net under spend by portfolios, excluding the Dedicated Schools Budget, of **£12.620m** (**£10.736m** including the Dedicated Schools budget) related to higher income from fees, charges and specific government grants; under spends due to staffing vacancies; and early delivery of 2016/17 savings.
- A balance on the Emergency Contingency (**£7.5m**) which, due to a benign winter, was not needed to support services' expenditure in 2015/16 (it is worth noting that the Emergency Contingency has been reduced by 50% as part of the 2016/17 budget).
- A net under spend of **£2.297m** as a result of reduced capital financing costs, interest and dividends.
- The receipt of higher than budgeted general government grants, collection fund surpluses and income from non domestic rates as a consequence of entering into a pooling arrangement with district councils this year (**£2.511m**).

Specific proposals are contained within this report to carry **£9.057m** of the under spend forward for use in 2016/17 (as detailed in **Appendix C**) and to appropriate

a further **£9.635m** (net) into Restricted Funds, the Capital Financing reserve and various other revenue reserves (*see paragraph 0 for further detail*).

After these adjustments, there is a net over spend against the final approved budget of **£4.705m**), which it is proposed is funded by a withdrawal from the General Balance. This withdrawal, when combined with the budgeted withdrawal in 2016/17, brings the General Balance to the level assumed when the 2016/17 budget was set (see **Appendix I**). Therefore, whilst the General Balance will be available to help mitigate the impact of reduced funding in future years, continued caution is necessary in view of future financial risks associated to public spending reforms.

**Appendix A** provides a summary, by portfolio, of the provisional outturn on the Revenue Budget, and **Appendix B** summarises the mitigations proposed. Proposals for utilising the 'carry forwards' reserve in 2016/17 are summarised in **Appendix C**.

Commentary on the provisional outturn position for each portfolio is provided in **Section 4** of the report.

### 3.3 Trading activities

The Council's trading activities have collectively achieved a net surplus for the year of **£3.867m**, which is below the final approved financial target for a surplus of **£5.309m**. This is mainly due to Legal Services' income falling short of the target; additional benefits being payable by the School Staffing insurance scheme; and investment into the development of Essex Education Services.

The trading activities have appropriated **£4.454m** (net) into the County Revenue Account, which means that their revenue reserves have decreased by **£587,000** during 2015/16, which is the difference between the net surplus and the appropriations out of reserves (i.e. from **£5.151m** at 1<sup>st</sup> April 2015 to **£4.563m** at 31 March 2016).

The appropriations into the County Revenue Account, at **£4.454m**, were **£690,000** less than budgeted. The shortfall is due to a provision in the 2015/16 accounts related to a legal case. Approval is sought to fund this shortfall from the General Balance.

Further comments on the trading activities' performance are provided in **Section 5** of the report and a summary of the provisional outturn position for the Council's trading activities is provided in **Appendix D**.

### 3.4 Capital

The original budget for the capital programme was **£272.048m**. During the year this has been revised to allow for revisions to project delivery plans. The final

approved capital programme budget amounted to **£223.454m**. In comparison, actual capital expenditure amounted to **£227.533m** (i.e. **£4.079m** more than the final budget).

When compared to the Original Budget, delivery is **83%** of the programme. Considerable effort has been put into delivering the capital programme over the past two years. This has seen the level of the capital programme increase alongside its successful delivery. Annual expenditure has increased by over **115%** when compared to the 2013/14 outturn.

During 2015/16 over **600** schemes were undertaken. Our residents have benefited from and will continue to benefit from a wide range of new investment including:

- **24** school expansions and **4** brand new Academies
- Secured permanent care for **18** children by carrying out adaptations to carers properties
- Created over **500** new early years places for children in Essex
- Provided **12** new units to enable individuals to enjoy greater independent living
- **118** BT Cabinets went live during 2015/16 which allowed just under **40,000** Essex properties to connect to Superfast broadband for the first time (the Superfast Essex project has enabled a total of **332** cabinets to go live since the beginning of the project in 2013/14)
- Outstanding main route carriageway defects have reduced by **23%** and secondary route defects have been kept below **500** for 2 consecutive years. Outstanding local network carriageway surface and structural defects have reduced by **13%**.

In relation to the over spend against the final approved budget, approval is sought to:

- Re-profile capital payment budgets of **£8.311m** from 2015/16 and into 2016/17, as a consequence of slippage in schemes;
- Bring capital payment budgets of **£11.557m** forward in respect of schemes that have progressed ahead of schedule; and
- Realign scheme and payment approvals to reflect actual activity in 2015/16 – this results in payment approvals for some schemes being reduced by **£29.263m**, with increases of **£30.096m** to a number of other schemes.

**Appendix E** provides a comparison of approved and forecast outturn capital payments by portfolio and **Appendix F** summarises the proposed variance plan. Commentary on the provisional outturn position for each portfolio is provided in Section **6** of the report.

### 3.5 Reserves and balances

The final approved budget for 2015/16 included provision for appropriations to or from various revenue reserves and restricted funds, and assumed a contribution to the General Balance. Proposals are presented throughout this report which further impact on the Council's reserves and balances. These proposals are included in recommendations 2 (iii) and (v) and summarised as follows:

#### **Restricted funds**

##### ■ **Private Finance Initiative (PFI) Reserves**

It is proposed that the following appropriations are made in relation to these contracts, as follows:

- Building Schools for the Future - **£60,000** withdrawal
- Clacton Secondary Schools - **£512,000** withdrawal
- Debden School - **£43,000** contribution

##### ■ **Waste Reserve**

It is proposed that **£12.449m** is appropriated into this reserve, including private finance initiative 'credits' received in 2015/16, to be applied in respect of the Waste Treatment Plant in 2016/17 and per the Joint Working Agreement with Southend in relation to the Waste Infrastructure Grant.

##### ■ **Partnerships Reserve**

It is proposed that **£209,000** is appropriated into the Partnerships reserve in relation to the Public Sector Reform Unit.

##### ■ **Schools**

**£1.884m** has been withdrawn from the Schools' reserve, in line with additional spending against the 'individual schools budget' in 2015/16. The Schools' reserve is ring-fenced for use by schools.

##### ■ **Trading activities**

It is proposed that **£600,000** is appropriated into the General Fund by the Essex Education Service trading account and that **£1.290m** is appropriated from the General Fund to the Essex Legal Services trading activity.

#### **Capital funding**

##### ■ **Future Capital Funding Reserve**

It is proposed that **£22,000** is withdrawn from the reserve to fund expenditure earmarked originally to be funded from the Capital programme but the actual work was not 'capital' in nature.

#### **Other reserves**

- **Carbon Reduction Reserve**

Approval is sought to withdraw **£432,000** from this reserve to finance costs incurred by the Facilities Management recharged strategic support service in relation to the Council's liabilities under the Carbon Reduction Commitment scheme.

- **Carry Forwards**

It is proposed that **£9.057m** is appropriated into the 'carry forwards' reserve in respect of revenue budget under spends that it is proposed are carried forward for use in 2016/17.

The proposals for utilising this Reserve in 2016/17 are set out in **Appendix C** of this report and are primarily in respect of approved projects for which the spending profile has changed.

- **Health and Safety Reserve**

It is proposed that **£29,000** is returned to this reserve as a consequence of an under spend by Property and Facilities Management on health and safety initiatives.

- **Transformation Reserve**

It is proposed that **£8.182m** is appropriated into the Transformation Reserve, comprising:

- Unspent project funding of **£682,000**; and
- The balance of **£7.5m** remaining in the Emergency Contingency at year end.

**Appendix H** shows the position on the restricted funds and revenue reserves, assuming the above proposals are accepted. These reserves represent funds set aside for specific policy purposes and contingencies, and are necessary to ensure the Council's continued financial resilience to future financial challenges and known pressures.

**Appendix I** summarises the position on the General Balance at 31<sup>st</sup> March 2016. At 1 April 2016, the General Balance stands at **£60.372m**, which is the level assumed when the 2016/17 budget was set.

### **3.6 Prudential indicators and treasury management**

Activities remained within the boundaries established by the approved prudential indicators and treasury management strategy during the year.

A return of **0.69%** was achieved on sums invested during the year. This compares favourably with the benchmark London Interbank Bid (LIBID) rate, which has averaged at **0.36%** over the same period.

No new long term loans were secured during the year, as part of the Council's strategy of temporarily utilising its cash balances to defer external borrowing, rather than to hold these sums for investment – this strategy is currently saving the Council approximately **£11m** per annum against external borrowing costs. The pool rate of interest on long term loans held by the Council has remained static at **4.26%** for 2015/16.

Summaries of the Prudential Indicators and investment and borrowing levels are provided in **Appendix J** and **Appendix K** respectively.

## **4. Portfolio commentary - Revenue**

Commentary on portfolios' revenue outturn positions is provided in the following paragraphs.

### **4.1 Adults Social Care - £1.611m (0.4%) under spend**

The provisional outturn of **£382.048m** is **0.4%** lower than the final approved budget of **£383.659m**. The main budget variances are as follows:

- **Access Assessment & Care Management - £1.7m under spend**

The under spend is due to Care Act related posts no longer being recruited to as a result of the Government's delay of Phase II of the Care Act.

- **Care and Support – £1.5m over spend**

This over spend primarily relates to care for those with physical and sensory impairments (**£1.4m** over spend). This is due to an over spend of **£744,000** on domiciliary services as a result of higher than budgeted activity and price; over spends on residential type services (**£427,000** residential and **£317,000** nursing) although activity has been on a downward trend due to the Increasing Independence project; and **£313,000** additional specialist equipment costs where savings from a new catalogue have not yet materialised. These over spends have been offset by an under spend on cash payments (**£648,000**).

There is a net **£351,000** over spend on Learning Disabilities. This is due to a **£2.2m** over spend caused by higher transfers of young adults in the transitions service - particularly affecting cash payments (**£1.4m**), domiciliary (**£412,000**) and residential costs (**£372,000**). In addition there is a **£697,000** over spend on domiciliary services mainly related to higher activity in the transitions service.

The over spends are offset by **£559,000** over delivery of Increasing Independence savings; **£538,000** under spend against the Adult Placement Scheme where moves on from residential services to a Shared Lives model

have not happened as quickly as anticipated; **£472,000** under spend on other care related expenditure; **£384,000** under spend on Employment and Inclusion service facilitated by successful delivery of Increasing Independence programme. In addition there is a **£507,000** under spend on the internal hostels as a result of under occupancy during the year.

There is a **£283,000** under spend in Older People. Many of the savings plans for 2015/16 were premised on fewer Older People requiring residential care but more needing domiciliary care and support at a lower cost. Delays in reablement provision have led to increased residential and nursing activity resulting in a net **£2.4m** over spend for residential and **£899,000** for nursing. Conversely this has also resulted in lower domiciliary activity levels than anticipated, which shows a **£3.2m** under spend. Day care is **£1.4m** under spent as activity and price were lower than budget and there has been **£1m** additional non-residential income. There has been an increased focus on providing service users with cash payments and there is a **£2.0m** over spend here due to higher activity and cost.

The above figures reflect a **£613,000** contribution from the Better Care Fund (BCF) after it was agreed with partners that Protection of Social Care funding under spends would be used towards pressures on over 85s domiciliary care and reablement. ECC are due to make a corresponding contribution to the 2016/17 BCF, and a carry forward request is therefore made to approve the funding for this.

- **Other Social Care - £458,000 under spend**

This under spend is due to the releasing of opportunities from the Advocacy budgets.

- **Service Management Costs - £2.5m under spend**

There was an under spend of **£954,000** on Care Act training funds as a result of the Government postponing Phase 2; Commissioner staffing under spends of **£322,000**, which offsets a corresponding over spend within the Children and Families portfolio, and **£113,000** over spend on Safeguarding. There is also a **£270,000** under spend on Adult Operations management costs. In addition specific project budgets of **£746,000** are under spent in 2015/16 due to slippage in delivery costs and are requested to be carried forward into 2016/17.

- **Housing Related Support - £1.7m over spend**

This over spend has arisen as a consequence of the planned Older People Savings project slipping into 2016/17.

On the basis of the provisional outturn position, approval is sought to utilise the Portfolio under spend, together with **£905,000** of the under spends reported elsewhere, to:

- Appropriate **£2.353m** into the Carry Forwards Reserve for the following purposes:
  - **£613,000** Protection of Social Care funding to be utilised within the Better Care Fund in 2016/17;
  - **£593,000** Increasing Independence project funding which has under spent in 2015/16 due to delayed recruitment;
  - **£515,000** to fund the shortfall against the 2016/17 budget due to the pay award;
  - **£197,000** Restructure of Adult Operations project funding now required in 2016/17;
  - **£153,000** Older People Programme project funding due to the project slipping into 2016/17;
  - **£139,000** Independent Living project funding now required in 2016/17.
  - **£36,000** Care Act project funding now required in 2016/17;
  - **£40,000** under spend on Service Management Costs to extend the My Home Life programme into the Home Support Services market;
  - **£40,000** under spend on Service Management Costs for the Care Act quality work which comes under the Care Act action plan, and which is not currently resourced; and
  - **£27,000** Non Residential Adults Charging project funding for staffing costs which have been re-profiled into 2016/17.
- Withdraw **£97,000** from the transformation reserve to offset legal costs relating to the Prepaid Cards project (**£34,000**) and for Integrated Commissioning (**£63,000**).

## **4.2 Children and Families - £1.869m (1.6%) over spend**

The provisional outturn of **£117.394m** is **1.6%** above the final approved budget of **£115.525m**.

**£1.3m** of the over spend relates to the Multi Systemic Therapy (MST) programme. MST is a capped fixed price contract due to end in 2019/20. The Social Impact Bond payments for this contract are front loaded, with the tariff reducing once 45,000 care days have been saved. The impact of this reduction is expected to be seen in 2016/17.

There is a staffing over spend of **£1.0m**. This is mostly attributable to pay awards being granted in excess of the 1% that was budgeted for.

A further over spend on the placements budget due to the average number of children in care being higher than budgeted and the mix of placements being more expensive due to increased complexity levels.

Partly mitigating these cost pressures were contractual savings arising from the re-tendering of the Family Innovation Fund, North Children's Centre and Domestic Abuse contracts.

Looking ahead to 2016/17, the main challenges are achieving a stable workforce and delivery of the Looked after Children Strategy.

In view of the mounting cost pressures approval is sought to finance **£3.019m** of the over spend in 2015/16 by a withdrawal from the General Balance and a further **£22,000** from the reserve for future capital funding to fund expenditure previously assumed to be capital in nature.

Approval is sought to appropriate **£475,000** into the Carry Forwards reserve to fund the shortfall against the 2016/17 budget due to the pay award and to allocate the remainder (**£697,000**) to offset budget over spends reported elsewhere.

#### **4.3 Corporate, Communities and Customers - £1.237m (7.2%) under spend**

The provisional outturn of **£15.846m** is **7.2%** lower than the final approved budget of **£17.083m**. The under spend is due to the following:

- **Coroners Courts - £696,000 under spend**

Due to the reversal of a bad debt provision raised in 2014/15 in relation to monies owing which are now expected.

- **Customer Services and Member enquiries - £799,000 under spend**

Due to a high level of staff vacancies throughout the year (**£431,000**), non-utilisation of the 'winter pressures' budget (**£200,000**) as seasonal variations in customer contacts was managed within operational budgets, and from a reduced number of Blue Badge independent mobility assessments (**£168,000**).

These under spends are partly offset by an over spend of **£358,000** by the Registrar's Office due to under achievement of income targets.

On the basis of the provisional outturn position, approval is sought to the following actions:

- Appropriate **£207,000** into the Carry Forwards reserve in relation to a re-phasing of the 'In Person' and 'Dementia' projects and for 2016/17 Early Adopter savings; and
- Appropriate **£125,000** into the Transformation Reserve in relation to the 'In Person' project.

#### **4.4 Deputy Leader and Economic Growth, Waste and Recycling - £2.181m (2.7%) under spend**

The provisional outturn of **£79.6m** is **2.7%** lower than the final approved budget of **£81.781m**. The main budget variances are as follows:

- **Skills - £855,000 under spend**

Due to staffing vacancies and a small reduction in the number of programme placements within the Health sector.

- **Waste Management Services - £469,000 under spend**

Due to a reduction in the volumes of waste, coupled with reduced gate fee prices.

- **Other - £670,000 under spend**

Due to the delay in a variety of projects, including the implementation of Phase 1 of the Growth and Infrastructure framework project.

On the basis of the provisional outturn position, approval is sought to the following actions:

- Appropriate **£1.050m** into the Carry Forwards reserve to allow for completion of Employability and Skills board projects, for 2016/17 Early Savings Adopters, production of an infrastructure overview to support growth and development across Essex and for partnership funding in relation to Areas of Outstanding National Beauty and Natural Capital.
- Appropriate **£736,000** into the Waste Reserve for further development of the long-term Waste strategy.
- Withdraw **£15,000** from the Transformation Reserve to meet costs of the Future of Place Operations business case.
- Apply **£120,000** of the remaining under spend to offset budget over spends elsewhere and to return **£290,000** to the General Balance.

#### **4.5 Education and Lifelong Learning**

##### **Dedicated Schools Budget - £1.884m over spend**

The over spend is the net position against the 'individual schools budget', and results from schools utilising funds they had previously set aside in the Schools Reserve, which is ring fenced for their use.

For other elements of the Dedicated Schools Budget, grant is applied in line with actual spending (with any unspent grant being carried forward as a 'receipt in advance' for use in 2016/17 or a subsequent year). The balance of unapplied grant as at 31<sup>st</sup> March 2016 amounts to **£6.290m**, and has mainly been earmarked for the SEND capital investment project.

### **Non-Dedicated Schools Budget - £1.173m (2.4%) over spend**

The provisional outturn of **£49.084m** is **2.4%** higher than the final approved budget of **£47.911m**. The main budget variances were as follows:

- **Home to school and college transport - £2.6m over spend**

The over spend primarily arises as a result of non-delivery of procurement savings on home to school transport, with further over spends arising in relation to transport arrangements required for SEN pupils with complex transport needs.

- **Premature Retirement costs - £1.0m under spend**

A reduction in premature retirement costs is due to less schools seeking financial support for redundancy costs.

- **Adult Community Learning - £287,000 under spend**

This position results from a recruitment freeze and a reduction in 'as and when' tutor expenditure.

- **Corporate - £133,000 under spend**

An under spend has arisen on the School Admissions team due to staff vacancies.

On the basis of the provisional outturn position, approval is sought to the following actions:

- Apply **£840,000** of under spends reported elsewhere;
- Withdraw **£512,000** from the Clacton Secondary School PFI earmarked reserve;
- Withdraw **£60,000** from the Building Schools for the Future PFI earmarked reserve;
- Appropriate **£43,000** to the Debden Park PFI earmarked reserve;
- Appropriate **£184,000** to the Carry forwards reserve, to provide project funding for the Early Years Review, for Electronic Information Service and to enable completion of the implementation of the Affinitext contract software.
- Withdraw **£203,000** from the Transformation Reserve to meet costs arising from the restructure of the Essex Outdoors Service and a further **£30,000** for Education redesign.

This leaves an underlying under spend of **£245,000** which is proposed is returned to the General Balance.

## 4.6 Finance - £1.357m (7.4%) over spend

The provisional outturn of **£19.686m** is **7.4%** higher than the final approved budget of **£18.329m**. The over spend is mainly attributable to the following:

- **Council Tax Sharing Scheme – £1.314m over spend**

The final outturn reflects additional payback under the Council Tax Sharing scheme where payments are made to District Councils due to increased Council Tax collection rates. It is important to note that the net position is a benefit to ECC as, after the **£1.314m** payment, a net **£8.6m** from additional council tax income will be in the Collection Fund for use in future years.

- **Heritage and Cultural Services - £110,000 over spend**

The over spend resulted from lower than forecast levels of income from the conference centre and from archive services.

On the basis of the provisional outturn position, approval is sought to the following actions:

- Apply **£308,000** of under spends reported elsewhere, and to withdraw **£1.321m** from the General Balance, to offset the over spend; and
- Appropriate **£272,000** into the Carry Forwards Reserve for 2016/17 Early Adopter Savings, Housing Project tendering/procurement costs and transitional funding for Firstsite.

## 4.7 Health - £1.071m (3.5%) under spend

The provisional outturn of **£29.239m** is **3.5%** lower than the final approved budget of **£30.310m**. The under spend is attributable to the following:

- **Mental health care and support - £877,000 under spend**

This under spend is primarily the result of CQC registration costs for Intensive Reablement being lower than expected and as a result of final payments being less than anticipated on s75 agreements.

- **Child and Adolescent Mental Health Services (CAMHS) - £205,000 under spend**

This under spend arose as a consequence of staff vacancies being held earlier in the year pending the outcome of the redesign of CAMHS in October 2015.

- **Health Reform and Integration - £27,000 under spend**

Funding was secured from the Leader's Innovation Fund to establish an innovative approach to the co-production to shape and drive the delivery of dementia friendly communities across Essex. Timings of discussions with delivery partners have not allowed the work to be completed during 2015/16.

Offsetting the above is an over spend of **£38,000** on Public Health due to additional commitments relating to the Independence Choice and Control Fund.

Approval is sought to:

- Appropriate **£39,000** into the Carry Forwards Reserve to fund the remaining CAMHS re-design and to complete the work on dementia friendly communities; and
- Apply **£1.032m** of the under spend to offset over spends reported elsewhere.

#### **4.8 Infrastructure and Highways and Transportation Delivery - £2.122m (2.4%) under spend**

The provisional outturn of **£86.308m** is **2.4%** lower than the final approved budget of **£88.430m**. The under spend is primarily attributable to the following:

- **Roads and Footways - £1.417m under spend**

The under spend is primarily related to Highways routine maintenance, based on actual works and service levels carried out during the financial year.

- **Local Highways Panel - £320,000 under spend**

The underspend on Local Highways Panels is driven by a combination of lower cost of schemes than anticipated as well as the delivery of Ranger services across districts through a lower number of Ranger gangs.

- **Winter Service - £105,000 under spend**

This under spend results from a milder winter, which reduced pressures on this budget.

- **Congestion - £527,000 under spend**

The remainder of the under spend is as a result of underspends within the Congestion policy line which has a **£364,000** reported underspend in respect of enforcement income.

Approval is sought to:

- Appropriate **£586,000** into the Carry Forwards reserve to enable the completion of asset inspections and asset lifecycle planning, for Small Operators electronic ticket machine procurement and to support Contract Software Procurement.
- Appropriate **£80,000** into the Transformation Reserve in respect of better bus strategy funding and the rephrasing of delivery time scales in respect of the Highways Transformation programme.

The remainder of the under spend will either be applied to offset over spends reported elsewhere (**£134,000**) or returned to the General Balance (**£1.322m**).

#### **4.9 Leader - £1.050m (9.8%) under spend**

The provisional outturn of **£9.694m** is **9.8%** lower than the final approved budget of **£10.744m**. The under spend is attributable to the following:

- **Development Management - £309,000**

This under spend resulted from staff vacancies, coupled with under spends in the Flood and Surface Water project as consultancy costs span two financial years.

- **Sustainable development - £189,000 under spend**

This under spend was largely the result of staffing vacancies.

- **Corporate Policy - £186,000 under spend**

An under spend of **£209,000** within the Public Sector Reform Unit is to be returned to the Partnership Reserve, to be used in 2016/17. Partly offsetting this position, the Corporate Policy budget is overspent by **£23,000** due to higher than forecast costs with supplier Campaign Company.

- **Olympic and Sport Development - £124,000 under spend**

This under spend is due to increased precepts and reduced spending on Olympic and Sport Development.

- **Member support - £107,000 under spend**

This under spend mainly resulted from lower special allowances being paid to members.

- **Democratic Core - £83,000 under spend**

This under spend is mainly due to a staff vacancy.

As a consequence of the provisional outturn position, approval is sought to:

- Appropriate **£364,000** of the under spend into the Carry Forwards reserve for Early Adopter savings, flood protection and surface water management plans and Active Essex (Hadleigh Castle).
- Withdraw **£113,000** from the Transformation Reserve to cover restructuring costs in relation to the Future of Place Operations.
- Appropriate **£209,000** to the Partnerships reserve in relation to the Public Sector Reform unit.

It is proposed that the remainder of the under spend is either to be applied to offset over spends reported elsewhere (**£139,000**) or returned to the General Balance (**£451,000**).

## 4.10 Recharged Strategic Support Services

Comments on the provisional outturn positions of each of the Recharged Strategic Support Services are as follows:

### Finance

- **Capital Programme implementation and delivery - £372,000 (22.2%) under spend**

The provisional outturn of **£1.301m** is **22.2%** lower than the final approved budget of **£1.673m**.

The under spend is mainly attributable to lower than anticipated consultancy costs relating to the Essex Constitution Framework and Schools PFI project where internal resources were instead utilised.

Approval is sought to appropriate **£29,000** of the under spend into the Carry Forwards reserve for implementation of the Affinitext contract software.

- **Finance - £3.129m (18.4%) under spend**

The provisional outturn of **£13.861m** is **18.4%** lower than the final approved budget of **£16.990m**. The under spend is the result of the following:

- **£808,000** where under spends identified earlier in the year, including a significant amount relating to Business Support, had been pooled to offset pressures anticipated across the Corporate and Customer Services function.
- **£744,000** within Corporate Operations due to increased income and recharging to projects and property contingency funding not being required.
- **£894,000** on projects, which primarily relates to phasing on Transforming Customer Systems (**£799,000**) for which a carry forward is requested.
- **£392,000** predominantly due to increased recharges to projects (including external partnerships) and the External Audit fee being lower than budgeted.
- **£297,000** due to holding vacancies pending potential restructures within Corporate Law.

As a consequence of the provisional outturn position, approval is sought to:

- Appropriate **£1.319m** into the Carry Forwards reserve for the following projects:
  - **£799,000** for Transforming Corporate Systems slippage due to delays in the project;
  - **£275,000** for Garden Communities resources;
  - **£100,000** for Devolution resources; and

- **£174,000** for Fees and Charges resources, to fund additional staff to support the Non-Residential Adults Social Care project and to fund final costs on the Intranet and 'Future of Essex Support Services' projects.
- Appropriate **£60,000** to the Transformation Reserve as a result of the recovery of duplicate payments by Purchase to Pay.

It is proposed that the remainder of the under spend is to be returned to the General Balance (**£1.273m**) and to offset over spends reported elsewhere.

▪ **Insurance Cost Recovery Account - £534,000 (13.7%) over spend**

The provisional outturn of **£4.431m** is **13.7%** higher than the final approved budget of **£3.897m**. The over spend is mainly due to higher than anticipated claim settlements in 2015/16. Approval is sought to finance this over spend by a withdrawal from the General Balance.

**Leader**

▪ **Communications and Customer Relations - £173,000 (6.2%) under spend**

The provisional outturn of **£2.636m** is **6.2%** lower than the final approved budget of **£2.809m**. The under spend is due to lower than anticipated spend on publications.

Approval is sought to appropriate **£85,000** of the under spend into the carry forwards reserve, to fund the Atrium and Wider Channels Project (branding and making better use of the Atrium and other working space).

▪ **Democratic Services and Governance - £167,000 (11%) under spend**

The provisional outturn of **£1.350m** is **11%** lower than the final approved budget of **£1.517m**. The under spend primarily results from:

- Lower than budgeted spend on Essex Legal Services (**£107,000**);
- Additional income of **£93,000** relating to committee administration and school appeals; and
- **£90,000** under spend on staffing.

Offsetting these under spends, it was necessary to make provision of **£200,000** for a tax liability.

▪ **Property and Facilities Management - £117,000 (0.5%) under spend**

The provisional outturn of **£22.424m** is **0.5%** lower than the final approved budget of **£22.541m**. The under spend is mainly due to the following:

- **£297,000** additional rental income and rates rebates;
- **£166,000** staff savings; and

- **£151,000** slippage in the Property Transformation project, with the costs now expected in 2016/17.

These under spends are partly offset by an over spend of **£121,000** in the Mitie contract due to back dated waste charges and a further **£422,000** over spend in the Capital Receipts team. This area has a nominal budget which is then supplemented by drawdowns from the Capital Pump Priming Reserve as costs are incurred. As the service is under spent overall it is not proposed to recover this over spend.

Approval is sought to:

- Withdraw **£432,000** from the Carbon Reserve, to meet the Council's obligations under the Carbon Reduction Commitment (CRC) scheme.
- Appropriate **£151,000** into the Carry Forwards reserve for the Property Transformation Project, due to the delay in completing this phase of the project.
- Appropriate **£29,000** into the Health & Safety Reserve, this being the under spend in the year on health and safety.
- **Transformation Support Unit - £474,000 (7.9%) under spend**  
The provisional outturn of **£5.536m** is **7.9%** lower than the final approved budget of **£6.010m**. The under spend is due to slippage in transformation projects. Approval is sought to appropriate **£474,000** into the Carry Forwards reserve to enable the continuation of TSU and Transformation III projects in 2016/17.

### **Corporate, Communities and Customers**

- **Business Support - £1.444m (13.8%) under spend**

The provisional outturn of **£9.012m** is **13.8%** lower than the final approved budget of **£10.456m**. **£1.1m** of the under spend is due to staff vacancies, with the remaining **£306,000** from early delivery of project savings on the Business Support project.

Approval is sought to:

- Appropriate **£259,000** of unrequired project funding into the Transformation Reserve; and
- Appropriate **£47,000** into the Carry Forwards reserve to meet residual project costs in 2016/17.
- **Customer Services - £398,000 (22.5%) over spend**  
The provisional outturn of **£2.167m** is **22.5%** greater than the final approved budget of **£1.769m**. The over spend is mainly due to Digital Channels project savings targets (**£683,000**) being held in Customer Services but due to be delivered across the organisation. The impact has been partially mitigated by vacancies with the Customer Service Centre.

Approval is sought to withdraw **£70,000** from the Transformation Reserve to fund the Digital Channels project. It is proposed that the remainder of the over spend is funded from under spends reported elsewhere.

- **Human Resources - £605,000 (9.9%) under spend**

The provisional outturn of **£5.491m** is **9.9%** lower than the final approved budget of **£6.096m**. The under spend of **£605,000** is due to:

- **£251,000** on Leadership and Talent Management as development of the leadership programme was put on hold pending appointment of the new Chief Executive;
- **£212,000** due to staffing vacancies; and
- **£116,000** on projects mainly resulting from input being contained within the Service's existing budget.

Approval is sought to appropriate **£295,000** into the Carry Forwards reserve for Leadership and Talent Management (including to support organisational development for Essex 2021 and to develop the Organisational Strategy for Essex) and to enable other projects to continue into 2016/17.

- **Information Services - £1.282m (5.6%) under spend**

The provisional outturn of **£21.698m** is **5.6%** lower than the final approved budget of **£22.980m**. The under spend mainly results from delays in the Social Care Case Management (SCCM) and the IS Delivery Programme (ISDP), where spend has been delayed until next financial year, partly offset by an over spend in non-recoverable project management costs.

Approval is sought to:

- Appropriate **£706,000** into the Carry Forwards reserve in respect of under spends in the current year on the SCCM and ISDP projects; and
- Appropriate **£651,000** into the Transformation Reserve in respect of under spends on other IS projects.

- **Performance and Commissioning Support - £460,000 (8.2%) under spend**

The provisional outturn of **£5.157m** is **8.2%** lower than the final approved budget of **£5.617m**. **£425,000** of the under spend is due to staff vacancies, with the remaining **£35,000** due to lower than expected project costs for the Organisational Intelligence (OICD) projects.

Approval is sought to:

- Appropriate **£75,000** into the Carry Forwards reserve for Citizens Insight, to support innovative practice and upskilling co-production; and

- Appropriate **£35,000** into the Transformation Reserve for OICD Projects due to project slippage in 2015/16.

It is proposed that the remainder of the under spend is returned to the General Balance.

- **Procurement - £441,000 (8.6%) under spend**

The provisional outturn of **£4.675m** is **8.6%** lower than the final approved budget of **£5.116m**. The under spend is mainly due to staffing. The following carry forward requests are proposed:

- **£160,000** to fund fixed term analysts posts, to retain fixed term contractors to progress a Passenger Transport project and to temporarily fund posts supporting implementation of the Corporate Systems project which has slipped into 2016/17.
- **£116,000** to fund a project to implement Affinitext, a new IT system to improve efficiency in the management of large contracts.
- **£36,000** to cover pressures expected in 2016/17 within Commercial.
- **£34,000** to progress a Talent Pool concept using a technology platform developed by Capita to support social care providers with recruitment of difficult to recruit roles.

#### **4.11 Other Operating Costs (interest, capital financing and dividends) - £2.297m (5.6%) under spend**

The provisional outturn of **£38.791m** is **5.6%** lower than the final approved budget of **£41.088m**. It had been anticipated that Essex Cares Ltd would declare and make a dividend payment to the Council of **£1m** in 2015/16, but there is no dividend forecast this year. This position is mitigated by the generation of additional income from short term investments (**£1.144m**), an under spend on interest payable (**£1.980m**) as a consequence of continuing to defer external borrowing and a small under spend on capital financing (**£173,000**).

## **5. Trading Activities' commentary**

### **5.1 Essex Education Services**

Although the trading activity has achieved a net surplus of **£2.874m**, this is **£255,000 (8.1%)** less than forecast as a consequence of implementation of the SE+ programme.

**£3.601m** of the trading activity's accumulated reserves is being appropriated into the General Fund. This includes an additional **£600,000** which it is intended is applied to offset a shortfall in amount appropriated into the General Fund by

Essex Legal Services (see paragraph 5.4). After this appropriation, the accumulated revenue reserves stand at **£1.920m** at 31<sup>st</sup> March 2016.

## **5.2 Music Services**

The trading activity has achieved a net surplus of **£20,000**. **£4,000** has been appropriated to the General Balance. The accumulated revenue reserves stand at **£133,000** at 31<sup>st</sup> March 2016.

## **5.3 School Staffing Insurance Scheme**

This scheme enables schools to mitigate cost pressures arising when they need to employ supply teachers to cover for the unexpected or prolonged absence of their teaching staff.

The trading activity has over spent by **£202,000**. This is due to an increase in the level of benefits paid out for claims, coupled with more than anticipated number of claimants. The trading activity has sufficient revenue reserves to fund the additional costs. The reserve now stands at **£973,000**.

## **5.4 Legal Services**

Whilst Legal Services has achieved a net surplus of **£249,000**, this is short of the financial target by **£1.660m**.

Income generated by the Deputyship service (formerly Essex Guardians) is short of the target by **£876,000**. The target was based on the higher solicitor rate charging structure which the service sought to adopt in 2013/14. Following the Office of Public Guardians challenge that ECC was only able to charge the lower public authority rate, a prudent approach is being taken by the service to issue invoices at the lower public authority rate pending a decision by the Court of Protection as to the rate that ECC is able to charge.

The service financial target is to appropriate **£1.959m** to the General Balance. However, there are only sufficient accumulated revenue reserves to fund an appropriation to the General Fund of **£488,000**. **£600,000** of the shortfall is therefore being covered by the Essex Education Service. Approval is sought to fund the remainder of the shortfall by a withdrawal from the General Balance.

## **5.5 Library Services**

Library Services has achieved a net surplus of **£483,000**, which is **£299,000** higher than the financial target for the year. **£277,000** of the surplus is being appropriated to the General Fund in line with the financial target, and the balance of **£206,000** is being appropriated to the service reserve, which now stands at **£483,000**.

## 5.6 Place Services

Place Services have achieved a net surplus of **£239,000**. **£92,000** of the surplus is being appropriated to the General Fund in line with the financial target.

The balance of **£147,000** is being appropriated to the Place Services reserves, which now stand at **£336,000**.

## 5.7 Information Services Infrastructure

The trading activity has achieved a net surplus of **£192,000**. This is being appropriated to the service reserve, which now stands at **£400,000**.

## 5.8 Smarte East

The trading activity has achieved a net surplus of **£12,000** which is being appropriated to the service reserve. The reserve now stands at **£257,000**.

# 6. Portfolio commentary – Capital

The Capital Programme is a significant priority for the Council and is fundamental to the Council achieving its aspiration to re-shape how it delivers services as well as helping to unlock revenue savings and efficiencies to secure ongoing financial sustainability. During 2015/16 the Council approved a significant capital programme of investment. By the end of the year, the capital programme had been able to accelerate its delivery programme which enabled an additional **£4.079m** to be delivered. This accelerated delivery enabled additional design work on a number of School expansion projects, the purchase of land to develop into accommodation for vulnerable people and a new cycle path in Wivenhoe from the University to Colchester Town Centre.

Commentary on portfolios' provisional outturn positions are provided in the following paragraphs. Details of the slippage, additions, advanced works and reductions are provided in **Appendix F** and **Appendix G**.

## 6.1 Adult Social Care – £1.086m (98.3%) over spend

The provisional outturn of **£2.191m** compares with a final approval of **£1.105m**. The outturn position has been achieved by significant investment in the Independent Living Programme for vulnerable people, which is set to continue.

The over spend against the final approved payments budget resulted from the purchase of two properties for the Independent Living programme.

However, this was partially offset by the Radwinter Road scheme which has been delayed due to the Governments review of rent allowances paid to landlords.

During the year the scheme at Cypress Gardens, Braintree was completed providing **12** units for individuals to enjoy greater independent living as opposed to placement in residential care.

Details of the slippage, additions, advance works and reductions are provided in **Appendix G**.

## **6.2 Children and Families – £102,000 (28.3%) over spend**

The provisional outturn of **£464,000** compares with a final approval of **£362,000**.

The Children and Families capital programme comprised two main initiatives: the Short Breaks programme to assist vulnerable children get the best start in life; and Adaptations to the homes of foster carers and adoptive parents.

The over spend against the final approved budget resulted on the Short Breaks scheme following the purchase of an additional two caravans to provide increased capacity for families with disabled children and young adults to enjoy family holidays together.

The adaptations scheme has enabled 18 children to remain with their current carer, on a permanent basis, and prevent a move to temporary foster care or a residential care placement.

Details of the additions, advance works and reductions are provided in **Appendix G**.

## **6.3 Corporate, Communities and Customers – £91,000 (1.9%) under spend**

The provisional outturn of **£4.701m** compares with a final approval of **£4.792m**. This portfolio's capital programme comprises the Information Services (IS) capital projects and the Libraries capital projects.

IS capital spend of **£4.310m** is approximately in line with its budget (£4.276m). The work delivered in year was mainly in relation to ISDP (IS delivery programme **£2.620m** – where activity covered purchase/refresh of almost 3,000 laptop and tablet devices). In addition **£1.200m** was delivered on the Social Care Case Management system. **£268,000** was spent on the Waste data management system in readiness for go-live in early 2016/17 and **£222,000** was spent on the Next generation networks project (including a Firewall upgrade)

The Libraries budget under spend is **£125,000** against a budget of **£516,000**. The under spend is predominately attributable to the 'Face to Face' Programme where registration rooms are being created in Libraries. A small amount of construction work has slipped into the beginning of 2016/17.

Details of the slippage, additions, advance works and reductions are provided in **Appendix G**.

#### **6.4 Deputy Leader, Economic Growth, Waste and Recycling – £726,000 (5%) under spend**

The provisional outturn of **£13.697m** compares with a final approval of **£14.423m**.

ECC have provided a number of grants to Third Parties to enable Economic Growth in 2015/16 through the Economic Growth Fund, such as a **£576,000** contribution to Essex Further Education establishments to upgrade equipment and **£250,000** towards the University of Essex Innovation Centre. However, a couple of projects earmarked for investment in 2015/16 have slipped into 2016/17 which has resulted in an under spend of **£600,000**, such as the contribution to Tendring's small and medium sized enterprise (SME) fund.

The remaining under spend relates to Waste projects such as Landfill Gas Flares Replacement, where ground conditions have prevented installation so the budget will be re-profiled into 2016/17.

Details of the slippage, additions, advanced works and reductions are provided in **Appendix G**.

#### **6.5 Education and Lifelong Learning – £1.555m (2.4%) over spend**

The provisional outturn of **£66.253m** compares with a final approval of **£64.698m**.

The **£66.593m** outturn represents a significant increase over the 2014/15 outturn of **£49.114m**, and reflects the success in meeting the demands for schools expansions throughout the county as a result of recent family population increases.

During 2015/16, **3,965** additional mainstream school places were delivered across Essex for September 2015, successfully securing a school place for every child in Essex. This included opening four new primary schools, in Harlow, Colchester, Chelmsford and Takeley. The John Ray Infant School, which was burnt to the ground in 2014, was rebuilt, and expanded, and the building was nominated for Infrastructure Category RICS award.

### **Local Authority Controlled - £2.175m over spend**

The net over spend results from the final costs on the design work for a number of school schemes being agreed earlier than anticipated. This is partially offset by several school expansion schemes which have had minor delays to their delivery programme.

Approval is sought to bring forward payment approvals of **£3.173m** into 2015/16 from 2016/17 for the design work carried out on these School expansion projects.

Approval is also sought to re-profile payment approvals of **£757,000** into 2016/17 where minor delays to the delivery programme on a number of school expansion schemes have occurred.

In addition to the re-profiling of payment approvals referred to above, it is proposed that scheme and payment approvals are reduced by **£304,000** (net) in respect of schemes that have been completed for less than the budgeted amount.

### **School Controlled - £620,000 under spend**

The under spend primarily results from payments slippage in Devolved Formula Capital funded schemes which are directed by schools. Each school receives an annual allocation of capital funding from the Department of Education which it can use for its own capital projects. The Council holds this funding until it is required by the schools.

Details of the slippage, additions, advance works and reductions are provided in **Appendix G**.

## **6.6 Finance – £2.168m (42.7%) under spend**

The provisional outturn of **£2.905m** compares with a final approval of **£5.073m**.

The major component of this Portfolio's budget in 2015/16 is implementation of a new integrated financial and HR system (The Corporate System (TCS)). The TCS project has experienced delays, and certain milestones that were expected to be completed by the end of 2015/16 have been missed. The project is consequently **£2.249m** under spent against its 2015/16 budget. ECC are now working towards a revised go live date with the contractor. The delays in the project mean that **£1.449m** of 2015/16 budget will need to be re-profiled into 2016/17, and since ECC is now incurring more revenue costs than expected (which are being offset with lower capital costs (**£800,000**)), a sum of **£800,000** will be removed from the capital programme.

The remainder of the programme is small with **£117,000** spend on the early stages of the Essex Housing Project and **£58,000** on Public realm.

Details of the slippage and reductions (in relation to revenue costs) are provided in **Appendix G**.

## **6.7 Infrastructure and Highways and Transportation Delivery – £5.667m (4.8%) over spend**

The provisional outturn of **£124.147m** compares with a final approval of **£118.480m**.

A large programme of works has been delivered across Essex, making a significant impact against the long term sustainability of the road and transport network. Outstanding defects on the county's road network continue to reduce, reflecting the significant investment the Authority has made in this area (outstanding priority route defects down by **23%**, local routes down by **13%**).

With regard to **Essex Highways**, project delivery success was high in 2015/16, particularly on carriageways, footways and bridges. Roads Maintenance schemes were accelerated, and were funded through under spends against other parts of the programme and by advanced works from 2016/17 of **£5.523m**.

Significant progress has been made on a new cycle way in Colchester between the University in Wivenhoe to the Town Centre. This project has secured a **£250,000** S106 contribution from Essex University and a **£250,000** contribution from the Colchester LHP, however due to some legal and technical issues requires a further contribution from ECC of **£1.4m**.

Local Growth Funded Economic Growth Transport schemes have progressed well during the year, however environmental issues and delays in the tender process on some schemes have resulted in some budget (**£3.8m**) needing to be re-profiled into future years.

Details of the slippage, additions, advance works and reductions are provided in **Appendix G**.

## **6.8 Leader – £1.346m (9.3%) under spend**

This Portfolio's capital programme has delivered **£13.175m** spend against its latest budget of **£14.521m**, an under spend of **£1.346m**.

The facilities management and property programme is the largest budget component, delivering very close to its **£6.031m** budget at **£5.995m** spend. Within that the Capitalised building maintenance programme ensured safe places of work, business continuity and also a range of energy efficiency schemes.

The Flood Management and Tendring Coastal schemes have spent **£3.460m** against the budget of **£4.500m** and this contributes most of the Portfolio's under spend. Due to efficient project management by Tendring District Council, the Tendring Coastal Defence project finished ahead of schedule in October 2016

and the **£1.0m** contingency budget held by ECC is no longer required. This funding has therefore been released in order to part fund advanced works on the county's road network.

Other activities within the Portfolio in 2015/16 have been

- Country Parks - construction of the new high ropes course at Great Notley Country Park completed during the year together with the opening of the new Stick man trail at Weald Country Park creating better opportunities for the people of Essex to enjoy the county's open spaces.
- Community Initiatives - Essex have awarded **£1.2m** in small grants to a wide range of bodies including parish and town councils, community groups and associations, charities and voluntary groups to help make a difference in the local areas.
- Essex Cares property investment (**£60,000** under spend against **£390,000** budget).

Details of the slippage, additions, advanced works and reductions are provided in **Appendix G**.

## **7. Policy context**

This report provides an assessment of the financial position of the Council at the end of the 2015/16 financial year and, as such, provides a financial representation of the Corporate Plan. The budget and corporate plan were approved in February 2015.

## **8. Financial implications**

All actions proposed within this report are within available funding and are considered by the Section 151 Officer as appropriate for dealing with the budget variances at year end.

## **9. Legal implications**

The Council is responsible for setting the budget each year at the Budget and Council Tax meeting. Once agreed, the Executive then has to implement the policy framework within that budget. The Executive cannot change the budget set by Council other than in accordance with Financial Regulations and the Constitution.

## **10. Staffing and other resource implications**

There are no staffing or other resource implications associated with this report.

## **11. Equality and diversity implications**

There are no equality and diversity or other resource implications associated with this report.

## **12. Appendices**

Appendix A – Revenue Outturn Summary

Appendix B – Revenue Variance Plan

Appendix C – Overview of revenue carry forward requests

Appendix D – Trading Activities

Appendix E – Capital payments and financing summary

Appendix F – Capital Variance Plan (Summary)

Appendix G – Capital Variance Plan (Detail)

Appendix H – Restricted use and other revenue reserves

Appendix I – General Balance

Appendix J - Prudential Indicators

Appendix K – Treasury Management

# Appendix A – Revenue Outturn Summary

2014/15		2015/16					
Actual		Original Budget	Final Budget	Provisional Outturn	Variance		RAG status
£000		£000	£000	£000	£000	%	
376,932	Adults Social Care	379,713	383,659	382,048	(1,611)	(0.4%)	●
122,229	Children and Families	113,218	115,525	117,394	1,869	1.6%	◆
19,081	Corporate, Communities and Customers	15,991	17,083	15,846	(1,237)	(7.2%)	●
73,027	Deputy Leader and Economic Growth, Waste and Recycling	82,249	81,781	79,600	(2,181)	(2.7%)	●
	Education and Lifelong Learning						
(1,582)	Dedicated Schools Budget	(2,912)	471	2,355	1,884	400.0%	◆
46,960	Non Dedicated Schools Budget	49,470	47,911	49,084	1,173	2.4%	◆
15,668	Finance	20,507	18,329	19,686	1,357	7.4%	◆
14,429	Health	22,920	30,310	29,239	(1,071)	(3.5%)	●
100,812	Infrastructure and Highways and Transportation Delivery	81,677	88,430	86,308	(2,122)	(2.4%)	●
11,944	Leader	12,013	10,744	9,694	(1,050)	(9.8%)	●
	Recharged Support Services						
	Finance						
1,345	Capital Programme Implementation and Delivery	1,645	1,673	1,301	(372)	(22.2%)	●
13,942	Finance	12,066	16,990	13,861	(3,129)	(18.4%)	●
4,658	Insurance Cost Recovery Account	4,741	3,897	4,431	534	13.7%	◆
	Infrastructure and Highways and Transportation Delivery						
(7)	Transport Coordination Centre	-	-	1	1	-	●
	Leader						
2,611	Communications and Customer Relations	2,533	2,809	2,636	(173)	(6.2%)	●
1,466	Democratic Services and Governance	1,527	1,517	1,350	(167)	(11.0%)	●
77	Equality and Diversity	144	144	128	(16)	(11.1%)	●
24,298	Property and Facilities Management Service	19,464	22,541	22,424	(117)	(0.5%)	■
6,220	Transformation Support Unit	3,072	6,010	5,536	(474)	(7.9%)	●
	Corporate, Communities and Customers						
10,174	Business Support	12,436	10,456	9,012	(1,444)	(13.8%)	●
25	Car Provision Scheme	(25)	-	-	-	-	■
1,695	Customer Services	1,787	1,769	2,167	398	22.5%	◆
6,675	Human Resources	4,514	6,096	5,491	(605)	(9.9%)	●
20,361	Information Services	16,754	22,980	21,698	(1,282)	(5.6%)	●
5,437	Performance and Commissioning Support	5,513	5,617	5,157	(460)	(8.2%)	●
5,356	Procurement	4,946	5,116	4,675	(441)	(8.6%)	●
883,833	Net cost of services (Portfolios)	865,963	901,858	891,122	(10,736)	(1.2%)	●
	Other operating costs						
-	Emergency Contingency	8,000	7,500	-	(7,500)	(100.0%)	●
38,926	Interest, capital financing and dividends	41,977	41,088	38,791	(2,297)	(5.6%)	●
	Appropriations to/(from) restricted funds and other revenue reserves						
(2,573)	Carry Forwards reserve	-	(12,677)	(3,620)	9,057	(71.4%)	◆
(1,034)	Restricted funds	(4,067)	(9,948)	987	10,935	(109.9%)	◆
17,606	Capital financing	1,824	3,957	3,935	(22)	(0.6%)	■
(2,502)	Other revenue reserves	12,905	(26,608)	(18,829)	7,779	(29.2%)	◆
934,256	Net expenditure	926,602	905,170	912,386	7,216	0.8%	◆
(42,578)	General government grant	(52,274)	(60,170)	(60,663)	(493)	0.8%	■
1,737	General Balance - contribution / (withdrawal)	(3,463)	25,336	20,631	(4,705)	(18.6%)	●
893,415	Net Expenditure	870,865	870,336	872,354	2,018	0.2%	◆
	Financed by						
(202,155)	Revenue Support Grant	(160,774)	(160,772)	(160,774)	(2)	-	■
(156,666)	National non-domestic rates	(160,204)	(159,677)	(160,219)	(542)	0.3%	●
(528,466)	Council tax precept	(539,138)	(539,138)	(539,138)	-	-	■
(6,128)	Collection fund surpluses	(10,749)	(10,749)	(12,223)	(1,474)	13.7%	●
-	Transitional Support Grant	-	-	-	-	-	■
(893,415)	Total Financing	(870,865)	(870,336)	(872,354)	(2,018)	0.2%	●

## Key

- ◆ Over spend equal to, or greater than, £500,000 or 5% of the Budget
- Over spend of less than £500,000 or 5% of the Budget OR under spend equal to, or greater than, £500,000 or 5% of the Budget
- Under spend of less than £500,000 or 5% of the Budget

## Appendix B – Revenue Variance Plan

	Provisional Outturn Variance (Under) / Over spend  £000	Proposed mitigating actions				Total of mitigating actions  £000
		Transfers of under / over spends between portfolios  £000	Under spends to be carried forward into 2016/17  £000	Appropriations to/(from) other reserves  £000	Underlying under / (over) spends  £000	
Adults Social Care	(1,611)	(905)	2,353	(97)	260	1,611
Children & Families	1,869	697	475	(22)	(3,019)	(1,869)
Corporate, Communities and Customers	(1,237)	(30)	207	125	935	1,237
Deputy Leader and Economic Growth, Waste and Recycling	(2,181)	120	1,050	721	290	2,181
Education and Lifelong Learning						
Dedicated Schools Budget	1,884	-	-	(1,884)	-	(1,884)
Non Dedicated Schools Budget	1,173	(840)	184	(762)	245	(1,173)
Finance	1,357	(308)	272	-	(1,321)	(1,357)
Health	(1,071)	1,032	39	-	-	1,071
Infrastructure and Highways and Transportation Delivery	(2,122)	134	586	80	1,322	2,122
Leader	(1,050)	139	364	96	451	1,050
Recharged Support Services						
Finance						
Capital Programme Implementation and Delivery	(372)	(6)	29	-	349	372
Finance	(3,129)	477	1,319	60	1,273	3,129
Insurance Cost Recovery Account	534	-	-	-	(534)	(534)
Infrastructure and Highways and Transportation Delivery						
Transport Coordination Centre	1	(1)	-	-	-	(1)
Leader						
Communications and Customer Relations	(173)	88	85	-	-	173
Democratic Services and Governance	(167)	-	-	-	167	167
Equality and Diversity	(16)	-	-	-	16	16
Property and Facilities Management Service	(117)	-	151	(403)	369	117
Transformation Support Unit	(474)	-	474	-	-	474
Corporate, Communities and Customers						
Business Support	(1,444)	-	47	259	1,138	1,444
Car Provision Scheme	-	-	-	-	-	-
Customer Services	398	(328)	-	(70)	-	(398)
Human Resources	(605)	(194)	295	-	504	605
Information Services	(1,282)	(75)	706	651	-	1,282
Performance and Commissioning Support	(460)	-	75	35	350	460
Procurement	(441)	-	346	-	95	441
<b>Net cost of services (Portfolios)</b>	<b>(10,736)</b>	<b>-</b>	<b>9,057</b>	<b>(1,211)</b>	<b>2,890</b>	<b>10,736</b>
Other operating costs						
Interest, capital financing and dividends	(2,297)	-	-	-	2,297	2,297
Emergency contingency	(7,500)	-	-	7,500	-	7,500
Appropriations to / from restricted funds and other revenue reserves						
Restricted funds	10,935	-	-	1,468	(12,403)	(10,935)
Capital financing	(22)	-	-	22	-	22
Other revenue reserves						
Carry Forwards reserve	9,057	-	(9,057)	-	-	(9,057)
Transformation Reserve	8,182	-	-	(8,182)	-	(8,182)
Other reserves	(403)	-	-	403	-	403
General government grant	(493)	-	-	-	493	493
Financing	(2,018)	-	-	-	2,018	2,018
<b>Net expenditure</b>	<b>4,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,705)</b>	<b>(4,705)</b>
General Balance	(4,705)	-	-	-	4,705	4,705
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Appendix C – Overview of revenue carry forward requests

	Total £000
<b>Re-phasing of spending</b>	
Better Care Fund and Health and Social Care spend	613
Leadership and Talent Management	255
Small Operators' electronic ticket machine procurement	164
Affinix contract software	168
Other	52
<b>Sub total - Re-phasing of spending</b>	<b>1,252</b>
<b>Approved Transformation projects</b>	
Transforming Corporate Systems	799
Increasing Independence	593
Employability and Skills	575
Transformation III and other TSU projects	474
Highway asset inspections and asset lifecycle planning	410
IS Delivery Programme	394
Social Care Case Management	312
Restructure of Adult Operations	198
Housing	172
Older People Programme	153
Property Transformation	151
In Person project	150
Independent Living	139
Place Partnership Integration	130
Commercial - Analyst and Fixed Term posts	130
Early Years Review	111
Financial Services - Devolution resources	100
Other	844
<b>Sub total - Approved Transformation Projects</b>	<b>5,835</b>
<b>Carry Forwards agreed in Principle at the Third Quarter stage</b>	
Early adopter savings	500
<b>Sub total - Carry forwards agreed in principle</b>	<b>500</b>
<b>Under spends requested for another purpose</b>	
Pay awards	990
Garden Communities resource	275
Firstsite - transitional funding	100
Other	105
<b>Sub total - Under spends requested for another purpose</b>	<b>1,470</b>
<b>Net Total</b>	<b>9,057</b>

## Appendix D – Trading Activities

[illegible]

## Appendix E – Capital payments and financing summary

	Original Approval	Final Approval	Actual	Variance
	£000	£000	£000	£000
Adult Social Care	7,676	1,105	2,191	1,086
Children and Families	541	362	464	102
Corporate, Communities and Customers	5,353	4,792	4,701	(91)
Deputy Leader, Economic Growth and Waste and Recycling	25,342	14,423	13,697	(726)
Education and Lifelong Learning	79,204	64,698	66,253	1,555
Finance	5,504	5,073	2,905	(2,168)
Infrastructure and Highways and Transportation Delivery Leader	131,850 16,578	118,480 14,521	124,147 13,175	5,667 (1,346)
<b>Total payments to be financed</b>	<b>272,048</b>	<b>223,453</b>	<b>227,533</b>	<b>4,079</b>
<b>Financed by</b>				
Borrowing	110,065	69,475	58,257	(11,218)
Grants and contributions	140,584	129,788	141,830	12,042
Capital receipts	10,409	10,409	12,640	2,231
Reserve for future capital funding	10,991	13,782	14,806	1,024
<b>Total financing</b>	<b>272,048</b>	<b>223,453</b>	<b>227,533</b>	<b>4,079</b>

## Appendix F – Capital Variance Plan (Summary)

	2015/16				2015/16 Changes	2016/17 Changes
	Slippage	Additions	Reductions	Advanced Works		
	£000	£000	£000	£000	£000	£000
Adult Social Care	(502)	26	(1)	1,564	1,086	(1,062)
Children and Families		100	(22)	24	102	(24)
Corporate, Communities and Customers	(195)	102	(53)	55	(91)	140
Deputy Leader, Economic Growth and Waste and Recycling	(207)	757	(1,350)	73	(726)	134
Education and Lifelong Learning						
Local Authority Controlled	(694)	1,803	(2,107)	3,173	2,175	(2,479)
Schools Controlled	(396)	-	(225)	-	(620)	396
Finance	(1,368)	-	(800)	-	(2,168)	1,368
Infrastructure and Highways and Transportation Delivery	(4,286)	26,847	(23,529)	6,636	5,667	(2,350)
Leader	(663)	461	(1,176)	32	(1,346)	631
<b>Total payments to be financed</b>	<b>(8,311)</b>	<b>30,096</b>	<b>(29,263)</b>	<b>11,557</b>	<b>4,079</b>	<b>(3,246)</b>
<b>Financed by</b>						
Borrowing	(8,003)	29,234	(18,563)	11,017	13,686	(3,014)
Grants and contributions	(308)	403	(10,700)	528	(10,077)	(220)
Capital receipts	-	-	-	-	-	-
Reserve for future capital funding	-	458	-	12	470	(12)
<b>Total financing</b>	<b>(8,311)</b>	<b>30,096</b>	<b>(29,263)</b>	<b>11,557</b>	<b>4,079</b>	<b>(3,246)</b>

## Appendix G – Capital Variance Plan (Detail)

Portfolio and Scheme	Slippage	Additions	Reductions	Advanced Works	2015/16 Changes Requested	2016/17 Changes
	£000	£000	£000	£000	£000	£000
<b>Adult Social Care</b>						
Accommodation for Vulnerable People	-	-	-	1,526	1,526	(1,526)
Extra Care Planning	(10)	10	-	-	-	10
Changing Places	-	16	-	37	53	(37)
Increasing Independence	-	-	(1)	-	(1)	-
Saffron Walden Extra Care Housing	(492)	-	-	-	(492)	492
Sub Total	(502)	26	(1)	1,564	1,086	(1,062)
<b>Children and Families</b>						
Aiming High for Disabled Children	-	100	-	-	100	-
Adopters Adaptations	-	-	(22)	24	2	(24)
Sub Total	-	100	(22)	24	102	(24)
<b>Corporate, Communities and Customer</b>						
Social Care Case Management	-	-	-	53	53	(53)
Next Generation Networks	-	-	-	1	1	(1)
IS Delivery Programme	(83)	-	-	-	(83)	83
Libraries	(112)	40	(53)	-	(125)	112
Waste Data Management System	-	62	-	-	62	-
Sub Total	(195)	102	(53)	55	(91)	140
<b>Deputy Leader, Economic Growth and Waste and Recycling</b>						
Transfer Stations	(24)	-	-	-	(24)	24
Landfill Gas Flare Replacement	(120)	-	-	-	(120)	120
Waste & Recycling	(60)	-	-	-	(60)	60
Economic Growth Fund	-	750	(1,350)	-	(600)	-
Skills Economic Growth	-	-	-	72	72	(72)
Other	(3)	7	-	-	4	3
Sub Total	(207)	757	(1,350)	72	(726)	135
<b>Education and Lifelong Learning - Local Authority Controlled</b>						
Glenwood Special School	(65)	178	(178)	-	(65)	65
Harlow Secondary Basic Need	-	99	(99)	99	99	(99)
Market Field Special School	(15)	-	(33)	-	(48)	15
Other School Schemes	(97)	155	(332)	465	190	(368)
Special Schools	-	163	(101)	202	264	(202)
Brentwood Primary Schools	(145)	-	-	-	(145)	145
Colchester Secondary Basic Need	-	11	(110)	-	(99)	-
Chelmsford Secondary Basic Need	-	-	(8)	536	528	(536)
Schools Capital Building Maintenance	-	282	(133)	73	221	(73)
Basildon Primary Basic Need	(42)	5	(148)	369	185	(327)
Harlow Primary Basic Need	-	-	-	210	210	(210)
Other	(330)	911	(966)	1,220	834	(889)
Sub Total	(694)	1,803	(2,107)	3,173	2,175	(2,479)
<b>Education and Lifelong Learning - Schools Controlled</b>						
Devolved Formula Capital & Cash Balances held by Schools	(396)	-	(225)	-	(621)	396
Sub Total	(396)	-	(225)	-	(621)	396

Portfolio and Scheme	Slippage	Additions	Reductions	Advanced Works	2015/16 Changes Requested	2016/17 Changes
	£000	£000	£000	£000	£000	£000
<b>Finance</b>						
Public Realm	(25)	-	-	-	(25)	25
Housing	(38)	-	-	-	(38)	38
New Corporate Systems	(1,305)	-	(800)	-	(2,105)	1,305
Sub Total	(1,368)	-	(800)	-	(2,168)	1,368
<b>Infrastructure and Highways and Transportation Delivery</b>						
Colchester ITP (Borough wide)	(197)	1,523	-	-	1,327	197
Local Highways Panels	-	1,179	(782)	-	397	-
Advanced Scheme Design	(1,894)	954	(1,015)	-	(1,956)	1,894
Economic Growth Transport	-	490	(2,023)	-	(1,533)	-
Roads Maintenance	-	9,323	(6,874)	5,523	7,973	(5,523)
Section 106	-	356	(538)	-	(182)	-
Colchester NAR3	-	-	(476)	-	(476)	-
Wivenhoe Cycle Route	(289)	1,626	-	-	1,337	289
South Essex LSTF	(339)	-	-	-	(339)	339
Footways	-	5,409	(5,409)	316	316	(316)
Other Highways Major Schemes	(604)	184	(894)	-	(1,314)	604
Depots	-	8	(8)	280	280	(280)
Jaywick Road Investment	-	754	-	-	754	-
Network Management	-	-	(441)	-	(441)	-
Street Lighting	-	-	(261)	-	(261)	-
Surface Water Alleviation	-	10	(485)	-	(475)	-
Colchester Park & Ride	-	430	-	-	430	-
Other Schemes	(963)	4,601	(4,323)	517	(168)	446
Sub Total	(4,286)	26,847	(23,529)	6,636	5,667	(2,350)
<b>Leader</b>						
Property Transformation IT Infrastructure	-	-	(79)	-	(79)	-
Tendring Coastal	-	-	(1,000)	-	(1,000)	-
Community Initiatives	-	249	-	-	249	-
Solar PV	(432)	-	-	-	(432)	432
Capitalised Building Maintenance	(37)	209	-	-	172	37
Other	(194)	3	(96)	32	(256)	163
Sub Total	(663)	461	(1,176)	32	(1,346)	631
<b>Total Capital Programme</b>	(8,311)	30,096	(29,262)	11,556	4,079	(3,245)

## Appendix H – Restricted use and other revenue reserves

Restricted use funds					
	Balance at 1 April 2015	2015/16 movements			Balance at 31 March 2016 as at
		Contributions to reserves	Withdrawals from reserves	Net Movement	
	£000	£000	£000	£000	£000
<b>Restricted use</b>					
Grants equalisation reserve	18,587	3,068	(11,616)	(8,548)	10,039
PFI equalisation reserves					
A130 PFI	55,809	195	(3,902)	(3,707)	52,102
Clacton secondary schools' PFI	3,833	202	(855)	(653)	3,180
Debden PFI	4,346	58	(251)	(193)	4,153
Building Schools for the Future PFI	2,546	9	(60)	(51)	2,495
Waste reserve	57,611	34,977	(12,968)	22,009	79,620
Schools	53,821	9,351	(11,233)	(1,882)	51,939
Partnerships	2,012	221	(738)	(517)	1,495
Trading activities	5,151	549	(1,138)	(589)	4,562
	203,716	48,630	(42,761)	5,869	209,585

Future Capital Funding and other revenue reserves					
	Balance at 1 April 2015	2015/16 movements			Balance at 31 March 2016 as at
		Contributions to reserves	Withdrawals from reserves	Net Movement	
	£000	£000	£000	£000	£000
<b>Future capital funding</b>	21,176	5,378	(14,806)	(9,428)	11,748
<b>Other revenue reserves</b>					
Capital receipts pump priming	2,221	1,000	(550)	450	2,671
Carbon Reduction reserve	3,075	529	(432)	97	3,172
Carry Forwards Reserve	12,677	9,057	(12,677)	(3,620)	9,057
Collection Fund investment risk reserve	9,772	1,412	(9,772)	(8,360)	1,412
Community Initiatives Reserve	-	3,750	(1,238)	2,512	2,512
Consultation reserve	5,674	-	(5,674)	(5,674)	-
Flood Management reserve	3,000	-	(3,000)	(3,000)	-
Insurance	8,747	-	(391)	(391)	8,356
Pension Fund Deficit reserve	3,988	-	(1,574)	(1,574)	2,414
Redundancy reserve	6,050	-	(6,050)	(6,050)	-
Transformation	28,740	23,010	(20,051)	2,959	31,699
Other reserves	2,613	1,729	(1,526)	203	2,816
	86,557	40,487	(62,935)	(22,448)	64,109

## Appendix I – General Balance

	£000
<b>Actual Balance 31 March 2015</b>	<b>59,100</b>
2015/16 Original Budget withdrawal	<b>(3,463)</b>
<b>Actual Balance 1 April 2015</b>	<b>55,637</b>
<b>Subsequent movements</b>	<b>28,799</b>
<b>Budgeted balance at 31st March 2016</b>	<b>84,436</b>
<b>2015/16 Provisional Outturn proposals</b>	
Adjustment to bring General Balance in line with budget forecast	<b>(4,705)</b>
<b>Actual balance at 31 March 2016</b>	<b>79,731</b>
2016/17 budgeted withdrawal	<b>(19,359)</b>
<b>Actual balance at 1 April 2016</b>	<b>60,372</b>

## Appendix J - Prudential Indicators

		Approved Indicator	Provisional Outturn
<b>1 Affordability</b>			
Incremental impact on Council Tax of 2015/16 and earlier years' 'starts'	£	£89.57	<b>£85.51</b>
Ratio of financing costs to net revenue streams (excl. gen. govnt. grant)	%	6.9%	<b>6.6%</b>
Ratio of financing costs to net revenue streams (incl. gen. govnt. grants)	%	6.6%	<b>6.3%</b>
<b>2 Prudence</b>		<i>Net borrowing is well within the medium term forecast of the Capital Financing Requirement.</i>	
Net borrowing and Capital Financing Requirement			
<b>3 Capital Expenditure</b>			
Capital expenditure	£m	272	<b>228</b>
Capital Financing Requirement ( <i>excluding credit arrangements</i> )	£m	792	<b>713</b>
<b>4 External Debt</b>			
Authorised limit (borrowing only)	£m	620	<b>N/A</b>
Operational boundary (borrowing only)	£m	520	<b>N/A</b>
Actual external borrowing ( <b>maximum level of debt during year</b> )	£m	N/A	<b>360</b>
<b>5 Treasury Management</b>			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	620	<b>236</b>
Debt		100.0%	<b>100.0%</b>
Investments		100.0%	<b>66.4%</b>
Upper limit for exposure to variable rates			
Net exposure	£m	186	<b>(92)</b>
Debt		30.0%	<b>1.7%</b>
Investments		100.0%	<b>79.2%</b>
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40.0%	<b>4.8%</b>
12 months & within 24 months	%	40.0%	<b>8.2%</b>
24 months & within 5 years	%	60.0%	<b>13.4%</b>
5 years & within 10 years	%	60.0%	<b>11.3%</b>
10 years & within 25 years	%	67.0%	<b>11.7%</b>
25 years & within 40 years	%	51.0%	<b>29.9%</b>
40 years & within 50 years	%	50.0%	<b>22.9%</b>
50 years & above	%	22.0%	<b>0.0%</b>
Total sums invested for more than 364 days			
Authorised limit	£m	100	<b>N/A</b>
Actual sums invested ( <b>maximum position during year</b> )	£m	N/A	<b>6</b>
<b>6 Summary</b>			
<i>All Treasury Management activities have been undertaken in accordance with approved policies and procedures.</i>			
<i>External debt is within prudent and sustainable limits.</i>			
<i>Credit arrangements have been undertaken within approved indicators</i>			
<i>Maturity Structure of borrowing: maturity dates for market loans are based on the next review date, not the final maturity date.</i>			

## Appendix K – Treasury Management

	Actual Balance 1 April	Movements			Actual Balance at 31 March	Interest payable / (earned) to date £000
	£000	Raised £000	Repaid £000	Net movement £000	£000	
<b>Borrowing</b>						
Long Term	354,516	990	(1,900)	(910)	353,606	14,979
Temporary	4,146	-	(1,478)	(1,478)	2,668	7
	<b>358,662</b>	<b>990</b>	<b>(3,378)</b>	<b>(2,388)</b>	<b>356,274</b>	<b>14,986</b>
<b>Investments</b>						
Long Term	(5,500)	-	2,000	2,000	(3,500)	(181)
Temporary	(266,900)	-	53,100	53,100	(213,800)	(2,047)
	<b>(272,400)</b>	<b>-</b>	<b>55,100</b>	<b>55,100</b>	<b>(217,300)</b>	<b>(2,228)</b>
<b>Net indebtedness</b>	<b>86,262</b>	<b>990</b>	<b>51,722</b>	<b>52,712</b>	<b>138,974</b>	<b>12,758</b>
<b>Borrowing</b>						
Average long term borrowing over period to date (£000)						<b>350,673</b>
Opening pool rate at 1 April 2015						<b>4.26%</b>
Weighted average rate of interest on new loans secured to date						<b>n/a</b>
Average pool rate for year						<b>4.26%</b>
<b>Investments</b>						
Average daily cash balance over period to date (£000)						<b>338,401</b>
Average interest earned over period						<b>0.69%</b>
Benchmark rate - average 7 day LIBID rate						<b>0.36%</b>